

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7239**

**BILL NUMBER:** SB 523

**NOTE PREPARED:** Mar 12, 2013

**BILL AMENDED:** Mar 12, 2013

**SUBJECT:** Registration of Off-Road Vehicles and Snowmobiles.

**FIRST AUTHOR:** Sen. Yoder

**FIRST SPONSOR:** Rep. Eberhart

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill has the following provisions:

- (1) Transfers responsibility for the registration of off-road vehicles and snowmobiles (vehicles) to the Bureau of Motor Vehicles (BMV) after December 31, 2013. (Currently, the Department of Natural Resources is responsible for the registration of off-road vehicles and snowmobiles.)
- (2) Provides that a city, county, or town may adopt an ordinance that allows an off-road vehicle to operate on a highway under the jurisdiction of the city, county, or town.
- (3) Sets fees for the registration of off-road vehicles and snowmobiles and services related to registration.
- (4) Provides that a person that sells at least 12 snowmobiles a year after December 31, 2013, is a dealer.
- (5) Specifies that: (a) fees for the registration of off-road vehicles and snowmobiles performed by the BMV shall be deposited in the Off-road Vehicle and Snowmobile fund; and (b) registration fees for off-road vehicles and snowmobiles does not include a public service fee or a fee that would be deposited in the Crossroads 2000 Fund.
- (6) Specifies that off-road vehicles and snowmobiles are not subject to the motor vehicle excise tax or motor vehicle insurance requirements.
- (7) Makes conforming amendments.

**Effective Date:** July 1, 2013.

**Explanation of State Expenditures:** This bill transfers the responsibility of regulating the registration of snowmobiles and off-road vehicles from the Department of Natural Resources (DNR) to the BMV beginning January 1, 2014. As a result, this bill will (1) increase the workload of the BMV and (2) decrease the workload

of the Department of Natural Resources (DNR). Transfer of the associated workload is expected to be offsetting.

The bill also requires snowmobile and off-road vehicle dealers to register with the Secretary of State (SOS). As a result, this bill could increase the workload of the SOS. The increases in workload are within the routine administrative functions of the SOS Dealer Services Division and are expected to be accomplished with the existing resource and staffing levels as well as snowmobile and off-road vehicle dealer fee revenue.

**Explanation of State Revenues:** (Revised) *Summary:* This bill could increase state revenue from snowmobile and off-road vehicle dealer fees, snowmobile and off-road vehicle registrations, and from driver's licensing fees. The bill could also decrease the number of Class C infractions for illegally operating an off-road vehicle on a public highway. The actual impact of this bill on state revenue is indeterminable.

**Additional Information:**

*Dealer Fees:* The provisions of this bill could increase state revenue from snowmobile and off-road vehicle dealer fees. Revenue collected from these fees are deposited in the Secretary of State Dealer Compliance Account and the Motor Vehicle Highway Account.

*Registration Fees:* The bill transfers fees for snowmobile and off-road vehicle registrations from 312 IAC 6.5-1-5 (under the DNR) and codifies them under the purview of fees the BMV collects. The bill does not change the fee amounts or the distribution of revenue from fees. Under current law and the bill, revenue from registration fees is distributed to the Off-Road Vehicle and Snowmobile Fund.

Additionally, the bill transfers penalties regarding registration of off-road vehicles and snowmobiles. No impact is expected as a result of this transfer.

(Revised) *Penalty Provision:* This bill will allow local governments (cities, counties, towns) to adopt ordinances for the operation of off-road vehicles on locally controlled roadways. The current statutory penalty for illegal operation of an off-road vehicle on a public highway is a Class C infraction. If local governments pass ordinances that would allow for the operation of off-road vehicles on locally controlled roadways, state revenue from Class C infractions could decrease.

The maximum judgment for a Class C infraction is \$500, which would have been deposited in the state General Fund. However any reduction in revenue is likely to be small.

(Revised) *Potential Licensing Fees:* Requiring the operator of an off-road vehicle to possess a driver's license may increase the number of driver's licenses in the state. The current fee for a 6-year driver's license is \$21. The following funds are affected.

<b>Distribution of Annual Registration Fee for Driver's Licenses</b>	<b>Fee</b>
Motor Vehicle Highway Account (MVHA)	\$6.00
Crossroads 2000 Fund	\$3.00
BMV Technology Fund	\$0.50
Anti-Terrorism	\$1.25
Bureau of Motor Vehicles Commission (BMVC)	\$10.25
<b>TOTAL</b>	<b>\$21.00</b>

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** (Revised) *Penalty Provision:* Penalties for local ordinance violations would be deposited in the general fund of the local government that adopts these ordinances. As a result, this bill could generate additional revenue for local governments that elect to adopt ordinances governing the operation of off-road vehicles on locally controlled roadways.

However, if there is a reduction in the number of Class C infractions for illegal operation of an off-road vehicle, local governments could receive less revenue from court fees. However, any reduction in revenue is likely to be small.

The net impact to local revenue from this bill is indeterminable.

**State Agencies Affected:** SOS, BMV, DNR.

**Local Agencies Affected:** All local governments, trial courts, local law enforcement agencies.

**Information Sources:** Mark Goodrich, BMV; Carol Mihalik, SOS.

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